

December 22, 1998

Pittsburg District Energy Facility Siting Committee
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**PITTSBURG DISTRICT ENERGY FACILITY 98-AFC-1: December 22, 1998
Energy Commission Staff Status Report**

As directed by the Pittsburg District Energy Facility (PDEF) Siting Committee, the Energy Commission staff submits this status report seven days after its Information and Issues Workshop of December 15, 1998. The staff workshop addressed the applicant's December 7, 1998 supplement to the Application for Certification (AFC) and subsequent filings through December 15, 1998 (data responses and appendices to the supplement).

Pittsburg District Energy Facility, Limited Liability Company originally filed an AFC for the PDEF on June 15, 1998. The Energy Commission deemed this application data adequate on July 29, 1998.

RECENT EVENTS AND ACTIVITIES:

November 2, 1998: CURE filed 75 data requests regarding water issues, soils, air resources, and transmission. The applicant objected to a large number of these data requests. Objection letters were received 11/17 and 11/20. Responses to CURE data requests were filed December 2, 1998 and in the December 7th AFC supplement.

November 16, 1998: Energy Commission staff filed data requests regarding air quality, water resources and socioeconomics. Responses to the air quality data requests are addressed in large part in the AFC supplement and subsequent filing of appendices I and J and the air quality remodeling data submitted on CD ROM.

November 19, 1998: Staff held a data request workshop to discuss data requests submitted to the applicant November 16, 1998. Staff also asked for a copy of the Alliance and Development Agreement between the applicant and the city of Pittsburg for its socioeconomics analysis.

November 23, 1998: Staff data request to PG&E seeking meteorological data to complete the cumulative air quality impact analysis. No response yet received.

December 7, 1998: Pittsburg District Energy Facility, Limited Liability Company submitted a supplement to its AFC – 130 days after the AFC was deemed adequate. (Subsequent to this filing, the applicant has submitted outstanding appendices and responses to certain staff data requests as recent as December 21, 1998.) As is described in chapter 3 of the AFC supplement, the following changes to the original facility are proposed:

- Rotation of the facility site plan 180 degrees placing the stacks further to the east.
- A reduction of the stack height from 175 feet to 150 feet.
- Redesign of all noise generating sources to reduce noise levels. Noise issues were raised in the August 24, 1998 staff data requests. The redesign is proposed to minimize noise-related impacts identified by staff.
- Modification of plant operational conditions to substantially increase auxiliary boiler hours of operation
- Relocation of the construction laydown area to the east within USS POSCO property.
- Modification of several proposed transmission line and pipeline routes (1, 2, 4, 5, and 6).
- Addition of four new transmission routes including routes 10 and 10(a), the above ground and below ground double circuit 115 kV line to connect at PG&E's Pittsburg power plant substation, routes 11 and 12 which are additional alternatives.
- Modifications to construction details such as equipment and workforce requirements.

December 7, 1998: The applicant filed a copy of Pacific Gas and Electric's Preliminary Facility Study: Enron Pittsburg District Energy Facility, dated December 4, 1998. This document currently is being reviewed by the Independent System Operator.

December 7, 1998: URS Greiner Woodward Clyde provided staff in electronic form (three compact disks) copies of all the files containing information on emission calculations and input and output files for new air dispersion modeling runs.

December 9, 1998: The applicant submitted a revised Appendix I: Air Quality Technical Data, and Appendix J: a copy of the revised Bay Area Air Quality Management District Permit Application.

December 11, 1998: Applicant filed responses to staff's November 16, 1998 data requests. These included Air Quality data requests #11 & #12 regarding PM10 offsets and offset sources, Socioeconomics Data Requests #1 (worker by craft data), #3 (revenue recipients) and #4 (school district developer fees).

December 15, 1998: The applicant submitted Appendix P: (supplemental) Property Owner Information to augment the property owner information in the June 1998 AFC Appendix P.

December 15, 1998: Staff held an Information and Issues Workshop in Pittsburg. At this workshop, the applicant described the proposed changes contained in the supplement, staff asked some clarifying questions and members of the public asked questions and made comments about the project.

December 15, 1998: URS Greiner Woodward Clyde submitted a copy of the report on Derivation of the Site-Specific Soil Clean-up Levels at the USS POSCO plant in Pittsburg. This information is needed for staff's public health analysis.

December 15, 1998: Applicant filed additional responses to staff's November 16, 1998 data requests. In regards to Soils and Water Resources data request #4, the applicant will provide staff a copy of the Industrial Discharge Permit application in approximately 45 days. The applicant was unable to provide staff requested information on the workforce availability, but instead provided staff with information on their efforts to obtain the information in response to Staff's Socioeconomic Data Request #2 on available workforce.

STATUS OF INFORMATION REQUESTS BY STAFF AND RELATED ISSUES:

- 1) The AFC supplement contained information regarding significant modifications to the original proposal. This information and the subsequent filings directly impacts the staff's ability to "assess the environmental affects of the applicant's proposal, the completeness of the applicant's proposed mitigation measures, and the need for, and feasibility of, additional or alternative mitigation measures." (Title 20, CFR, Section 1742.5 (a)). As has been described in previous status and issue reports, the applicant expected to file much of this information in October and/or mid November to address issues identified by staff or the public. These included noise issues, needed air quality data, biological resources concerns, ambiguities on use and discharge of the tertiary treated wastewater, visual concerns and transmission related issues.

Staff has and continues to work with the applicant to resolve issues, identify additional information needs, and address questions about information provided.

- 2) The proposed modifications to the original application affect several environmental and engineering analysis areas, particularly air quality. In addition to the project changes noted above, additional information was provided in the supplement regarding air quality: 1) acceptance of a NO_x emissions level of 2.5 ppmvd (15% O₂); 2) increase in particulate matter (PM) emission rates from the gas turbines; 3) reduction of the total dissolved solids (TDS) in the incoming water to the cooling towers; 4) creation of a need for PM offsets; and 5) use of the Offshore and Coastal Dispersion (OCD) model to estimate shoreline fumigation impacts (this model was not used prior to the supplement). The project changes and new air dispersion modeling runs represents a formidable amount of new information that must be reviewed by both the Bay Area Air Quality Management District (District) and Energy Commission Staff. It is important to mention that in most cases this new information has been submitted as revised Tables without any explanatory text of all the steps and new assumptions used to develop the new information. The District has not yet informed staff how this new information might impact their schedule.

To expedite the review process, we are working collaboratively with the District. Staff and the District are closely coordinating efforts to understand the emission estimates provided by the applicant. In some cases, we have been unable to duplicate the estimates provided by the applicant. The applicant has not completely followed the modeling protocol used in the original analyses.

With respect to the OCD model, Energy Commission staff and the District have not applied this model before. It is important to note that the District may require changes or additional modeling analysis depending on the results of their review. Staff also anticipates the need to conduct technical workshops on air quality related issues to get clarifications from the applicant and to correct any problems in calculations or assumptions. Our review may also generate additional data requests if the applicant is not able to provide the needed information during the technical workshop. After the workshop(s) the applicant may need to revise its application to make sure that all the errors are corrected and that the record is clear with respect to assumptions and methods of calculations.

From the air quality perspective, the recent submittal is almost a new application due to the amount of work that will be needed by both Staff and the District to review the new information. Since the new modeling analyses were submitted few days ago, Staff is still reviewing the material in preparation of the analysis required to complete a Preliminary Staff Assessment.

- 3) Staff is also awaiting additional information. According to its letter of September 8, 1998, the applicant informed staff that it would respond to staff's August 24, 1998 Data Requests 1 and 2 for Transmission Line Safety and Nuisance within "30 days of receipt of the PG&E Interconnection Study". These staff data requests address verifying the adequacy of the electromagnetic field reducing measures.

The applicant also indicated at the December 15, 1998 staff workshop that a sketch of the underground structure for the portion of the transmission facility along 8th street and the transitional facilities will be provided some time the week of 12/21/98. Needed information on the design of these facilities was not included in the supplement. This information is required to analyze the impacts associated with transmission line alternates 10 and 10a.

Data responses by the applicant, filed December 15, 1998, informed staff that the applicant will provide staff with needed information regarding the applicant's application to Delta Diablo Wastewater Treatment Facility for a Industrial Discharge Permit within 45 days. The applicant expects to provide staff with an interim Letter of Approval with a copy of the application at that time.

- 4) In response to Energy Commission staff questions posed at the December 15, 1998 workshop, the applicant informed staff that the need for transmission line upgrades or reconductoring has yet to be determined, and conductor sizes for the overhead portion of the project will be determined in the design phase.

In addition, the ISO is concerned about off-peak hours. It would like PG&E to run these studies. The applicant is concerned about the results of the study that indicates that some 230 kV lines become overloaded once PDEF is added to the system. The applicant is questioning how PG&E set up the study. These topics are to be resolved at a later date. Staff has been invited to attend the discussions when they take place.

STATUS OF STAFF'S WORK ON OTHER SITING CASES:

Staff Assessment on the High Desert Power Plant AFC will be filed January 21, 1999

Preliminary Staff Assessment on the La Paloma Power Plant AFC will be filed February 5, 1999

Data Adequacy Determination regarding the AFC for Delta Energy Center will be filed January 16, 1999

Data Adequacy Determination regarding the AFC for Sunrise Cogeneration and Power Project will be filed January 19, 1998

SCHEDULE:

Staff prefers to issue complete, rather than bifurcated, preliminary and final staff assessments as a result of the applicant filing significant project modifications in December. Staff believes that the filing of these modifications to the proposal represents a significant change in the project and should be considered in the preliminary staff assessment. This then necessitates a slippage in the date for filing the Preliminary Staff Assessment (and perhaps other dates in the Committee's schedule) so that these applicant-proposed changes can be considered.

As a result of the supplement filing and subsequent filings, staff is requesting that the Committee modify the project schedule 45 days to allow staff needed time to review the new material and complete its analysis for the Preliminary Staff Assessment.

cc: PDEF Project Proof of Service
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Dennis Jang, Bay Area AQMD
Matt Haber, U.S. EPA
Paul Casey, Delta Diablo Wastewater Treatment Facility
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